ANALYSIS LONDON & UK DEBT & RATES AFRICA

The Price of Time: Britain's 6% Gilt Has Just Ended the Era of Free Slow Money

A 6% gilt marks the end of an era in which slow, opaque money was free. The winners of the next decade will be those who make time cheap again.

United Kingdom | United States | Côte d'Ivoire | DR Congo | Kenya | Cameroon | Nigeria | Ghana



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KEY POINTS

- On 1 October 2026, the yield on Britain's 30-year gilt touched 6.03%, a level last seen in January 1998.
- Every 0.25 point on gilt yields adds roughly £2.5 billion a year to UK debt interest.
- £1 million stuck for three days now costs about £308 in lost interest, against £8 in 2021.
- Sending $200 to sub-Saharan Africa costs 8.46% on average, against 6.36% worldwide.

On the morning of 1 October 2026, the yield on Britain's 30-year government bond touched 6.03%. The last time London paid that much to borrow for a generation was January 1998, a year after the Bank of England was handed the keys to interest rates and a year before the euro was born.

Most commentary will treat this as a British story: a new Chancellor, a Budget on 28 October, a nervous bond market. I want to argue something different, and more uncomfortable.

My thesis is simple: a 6% gilt marks the end of an era in which slow, opaque money was free. For fifteen years, near-zero rates hid the true cost of the way money moves between Britain and Africa. That subsidy is gone. Every day a payment waits, every pound that sits idle, every point of spread on a transfer is now a measurable loss, and Africa pays the largest share of it. The winners of the next decade will not be those with the cleverest token, but those who make time cheap again.

Here is the case.

1. The staircase, not the spike

Markets like to call every bad day a "spike". But look at the sequence. The 30-year gilt went above 5% during the 2022 mini-budget crisis, then to 5.69% in September 2025, to 5.78% in May 2026, to about 5.9% in September, and to 6.03% on 1 October. The 10-year reached 5.51%, its highest since July 2007.

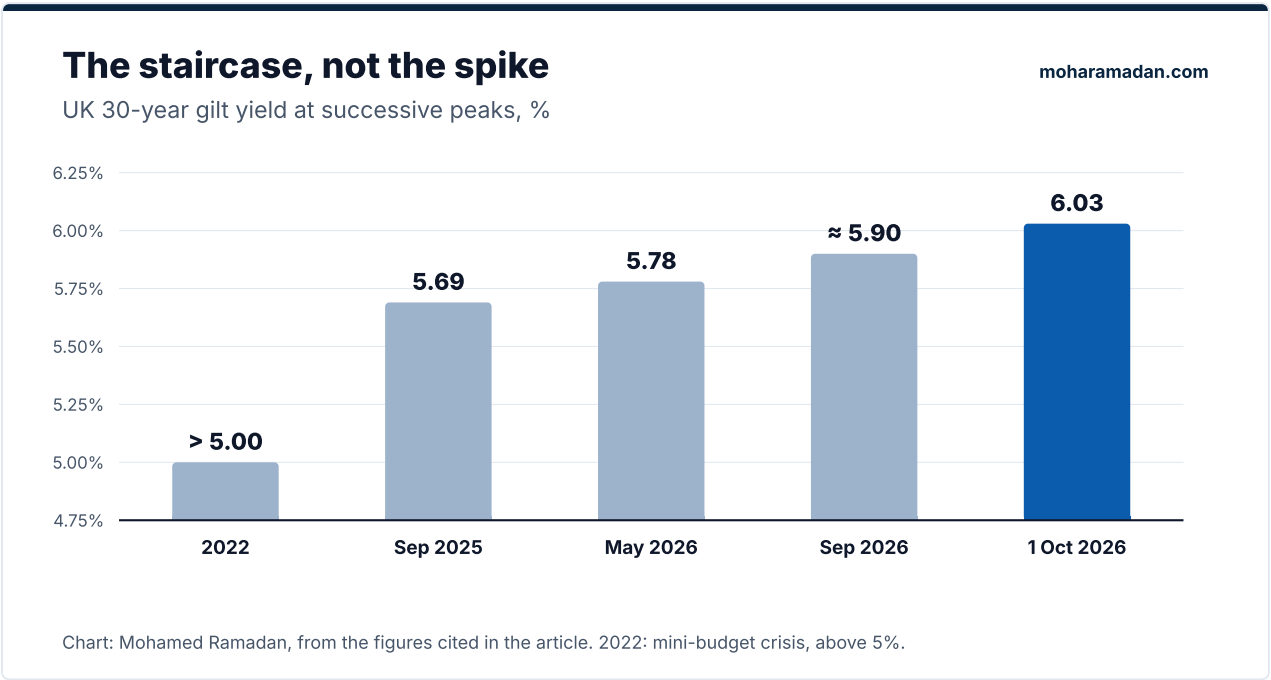


Chart: Mohamed Ramadan, from the figures cited in the article. 2022: mini-budget crisis, above 5%.

When a spike repeats itself four times in four years, it is not a spike. It is a staircase, and staircases are built on foundations:

- **Energy and war.** With the Strait of Hormuz still disrupted and oil back above $100 a barrel, UK inflation has turned up again: 3.1% in August, with the Bank of England itself projecting about 3.75% by year-end and slightly above 4% in early 2027.

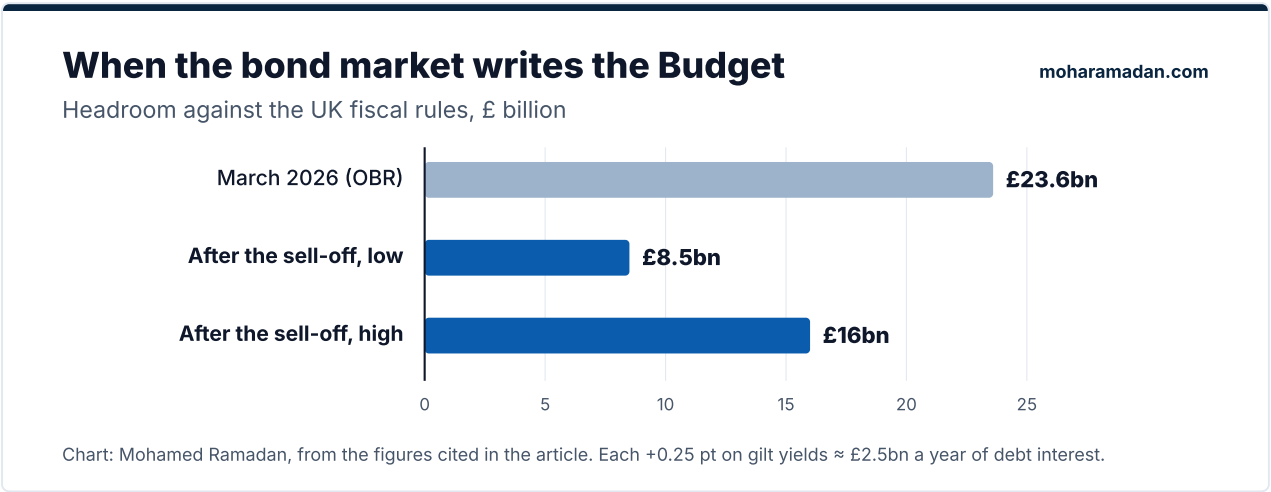
- **Washington moved first.** The Federal Reserve raised rates to 3.75–4% on 16 September, its first hike since 2023, and most of its policymakers expect more.
- **London's own arithmetic.** The Bank held at 3.75%, but three of its nine policymakers already voted to raise. The Treasury must still sell about £246 billion of gilts this fiscal year.

The point is not that rates are high. It is that nobody serious expects them to return to zero. The Fed's own projections push the first cuts out to 2028. That changes the economics of everything that is slow.

2. When the bond market writes the Budget, it writes everyone's budget

In 1993, James Carville, Bill Clinton's strategist, said that if he were reincarnated he would want to come back as the bond market, because "you can intimidate everybody". African finance ministers have lived with that intimidation for decades, sitting in London roadshows being told that their spreads reflect their "credibility".

This autumn, the lecture is being delivered to a G7 Treasury. In March, the Office for Budget Responsibility gave the Chancellor about £23.6 billion of headroom against the fiscal rules. Higher yields have since cut it to an estimated £8.5–16 billion. Every 0.25 point on gilt yields adds roughly £2.5 billion a year to debt interest.



Why should an importer in Douala or a treasurer in Lagos care? Because the gilt and the Treasury bill are the benchmarks against which their own money is priced. Sub-Saharan sovereigns raised about $9.3 billion in Eurobonds between January and September 2026, more than in all of 2025, and their repayments rise from about $3.5 billion in 2026 to $8.6 billion in 2028, according to the World Bank. When the base rate of the world rises, Africa's bill rises with it, even if nothing in Africa has changed.

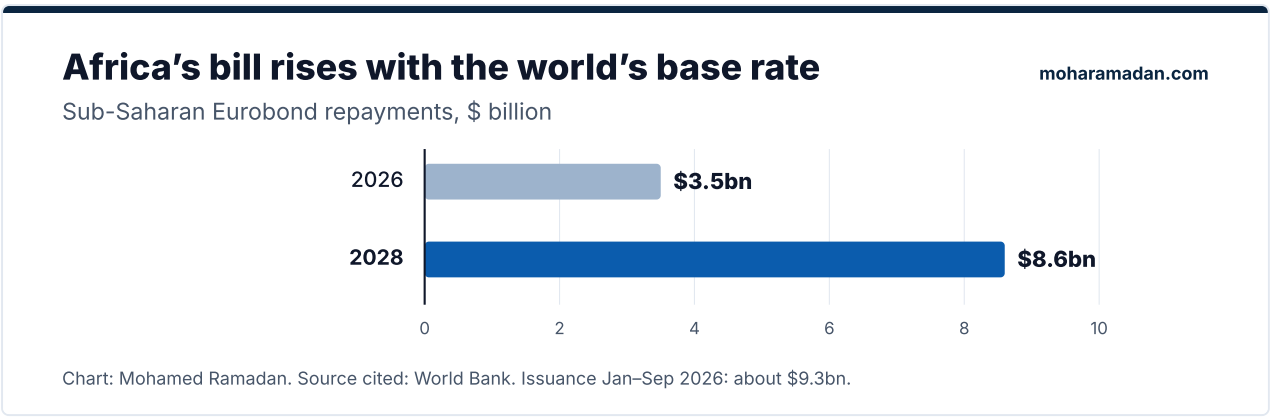


Chart: Mohamed Ramadan. Source cited: World Bank. Issuance Jan–Sep 2026: about $9.3bn.

3. The hierarchy is blurring at the top, not at the bottom

Here is a comparison nobody in the City will put on a slide. In February 2026, Côte d'Ivoire raised $1.3 billion over 15 years, nearly five times oversubscribed, at an effective 5.39% after hedging into euros. On 1 October, Britain paid 5.51% for 10 years and 6.03% for 30 years in its own currency.

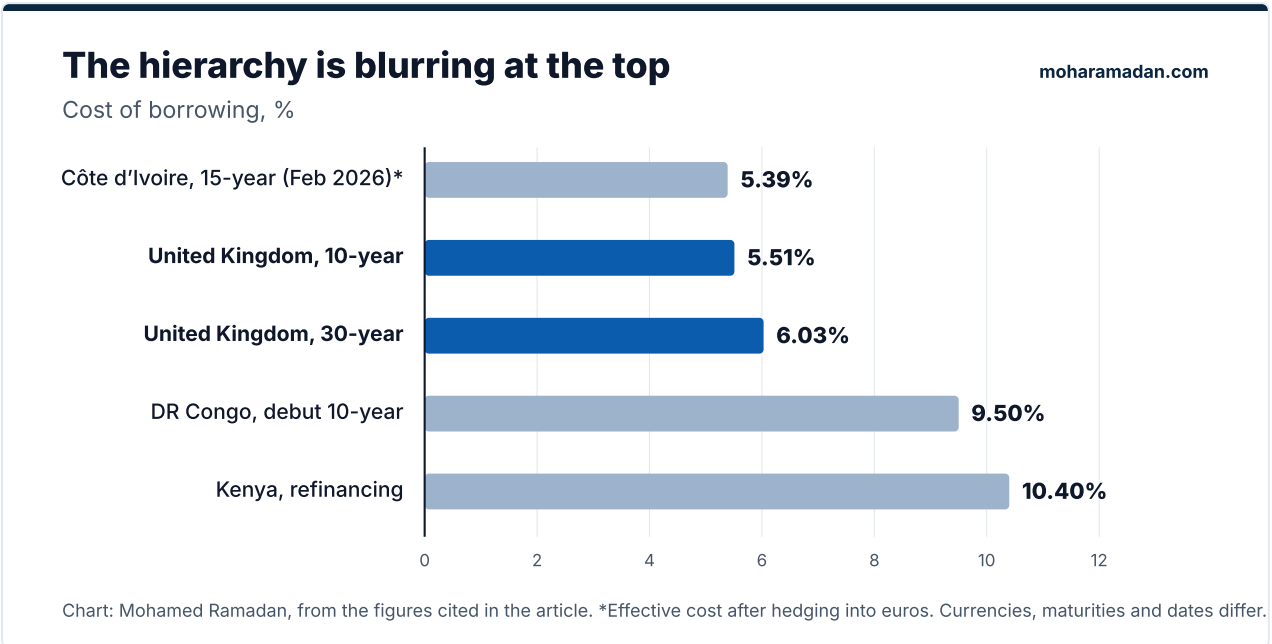


Chart: Mohamed Ramadan, from the figures cited in the article. *Effective cost after hedging into euros. Currencies, maturities and dates differ.

The comparison is imperfect: currencies, maturities and dates differ, and the chart says so. But the order of magnitude makes the argument. The old hierarchy, in which the North borrows cheaply and the South pays for its sins, is blurring at the top. It is not blurring at the bottom: DR Congo's debut 10-year bond cost 9.5%, and Kenya refinanced at 10.4% a bond originally issued at 6.9%.

This matters for my thesis. If even London now pays for time, then the price of time is no longer a "risk premium" that Africa alone carries. It is a global cost of capital, and

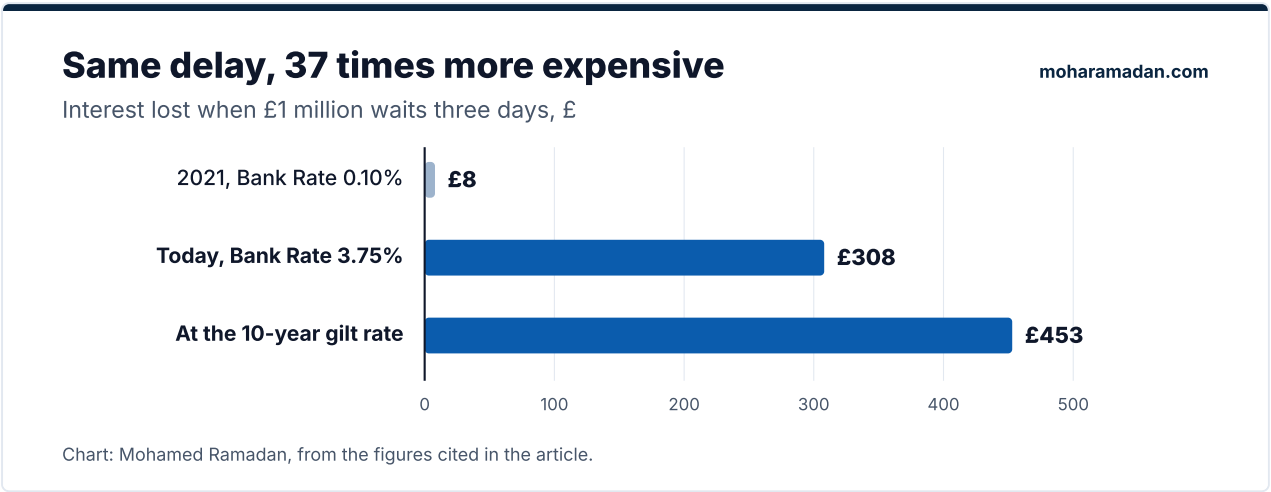
the question becomes: who wastes it, and who saves it?

4. The hidden tax: what slow payments really cost

This is where the argument becomes concrete.

Benjamin Franklin wrote in 1748 that “time is money”. For most of the past fifteen years, it wasn’t. With Bank Rate at 0.10% in 2021, £1 million stuck for three days in a correspondent banking chain cost about £8 in lost interest. Nobody noticed, so nobody fixed it.

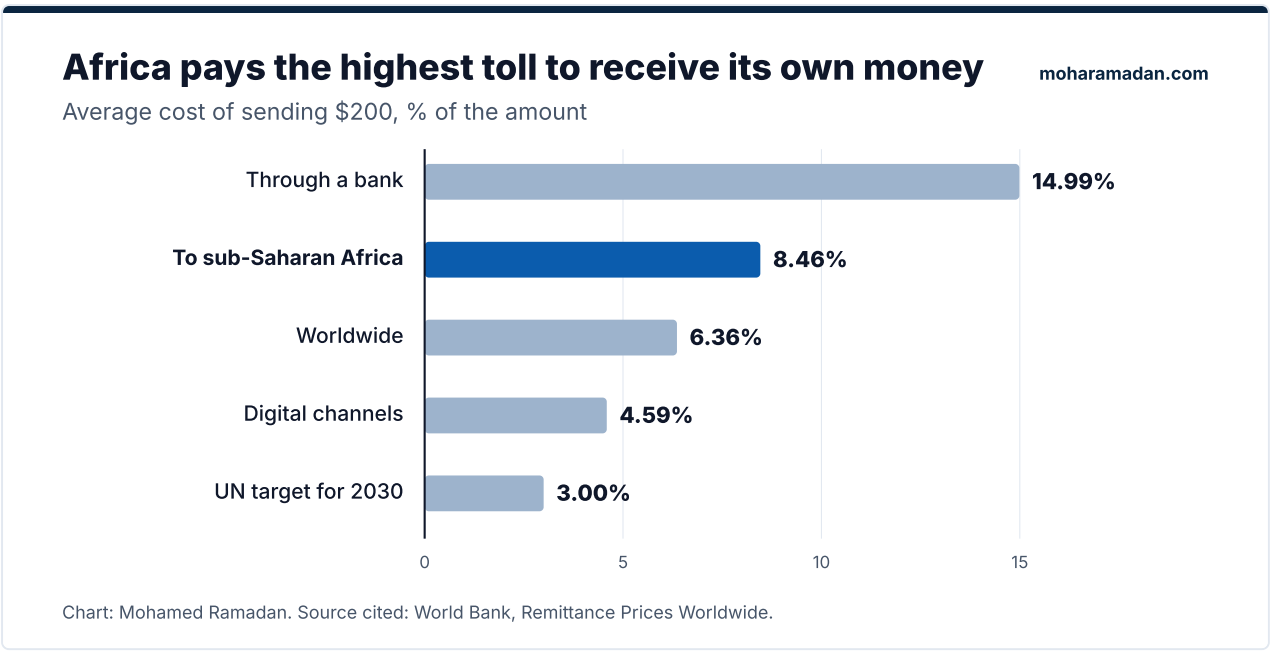
At today’s 3.75%, the same three days cost about £308. At the 10-year gilt rate, about £453. Same delay, 37 times more expensive.



Now multiply. Every supplier invoice paid from Africa via London. Every payroll. Every FX conversion done on an “indicative” rate that moves before the money lands. Every balance left idle in a non-interest account “just in case”. In a zero-rate world, these were inconveniences. In a 6% world, they are a hidden tax, and the slowest rail pays it.

5. Africa pays the highest toll to receive its own money

The World Bank’s latest data are unambiguous. Sending $200 to sub-Saharan Africa costs 8.46% on average, against 6.36% worldwide, 4.59% through digital channels and 14.99% through a bank. The UN target is 3% by 2030.



High rates make this worse, not better. When money is expensive, every intermediary in the chain has an incentive to hold funds a little longer and to price risk a little higher. Africa does not only pay more to borrow. It pays more to receive.

6. Objections, and why they don’t hold

“Rates will fall again, so this will pass.” Perhaps, eventually. But the Fed does not expect cuts before 2028, and the Bank of England projects inflation above 4% in early 2027. More importantly, a business model that only works at zero rates is not a business model. It is a bet.

“Stablecoins will fix it.” They will help, and London is serious about them. In June 2026, the Bank of England finalised its regime for systemic sterling stablecoins: up to 70% of reserves in UK government debt maturing within six months, the rest at the Bank, and a cap of £40 billion per coin. The FCA regime enters into force on 25 October 2027.

But read the design carefully. A coin at the cap could hold £28 billion of short-dated gilts. London has created a new buyer for its own debt, at the short end, while the pain sits at thirty years. The regime is built first to make sterling tokens safe and to fund the state, not to solve the last mile into Douala, Accra or Lagos. A token settles in minutes. Converting it into CFA francs or naira at a fair rate, with compliance, liquidity and a bank account at the other end, still does not. The bottleneck is not the technology. It is liquidity, trust and the last mile.

“This is a British problem.” Section 2 answers it: the benchmark channel carries London’s price of time straight into every African balance sheet.

> **The real price of a cross-border payment is not the rate. It is the rate multiplied by the time.**

7. What I would tell an African CFO this week

1. **Stop holding idle sterling.** Cash waiting for an invoice in a non-interest account is now a real loss.
2. **Measure your payment cycle in days, then in pounds.** Every day saved in settlement is margin.
3. **Lock rates when markets are open.** In a volatile month, the gap between a firm quote and an indicative one can be your profit.
4. **Watch 28 October and 5 November.** The Budget, then the Bank of England’s next decision. A hike strengthens the case for converting early rather than late.
5. **Refinance before you have to.** The window is open, but narrower than it looks.

The bond market has no ideology. It does not care about Westminster or Yaoundé, about speeches or slogans. It asks one question of everyone: what is your time worth?

For fifteen years, the answer was “almost nothing”, and the world built its payment systems around that illusion. In October 2026, London’s answer is 6%. Those who understand what that means will spend the next decade making time cheap again. The others will keep paying for it, three days at a time.



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Mohamed Ramadan is a finance professional writing about where capital is going and why: IPOs, mergers and fundraising, hedge funds and investment, debt and interest rates, and the economics of artificial intelligence, from Wall Street and the City to Africa and Asia.